



# Project Santee Cooper

## Introductory Information

August 2019





# 1 Santee Cooper Overview

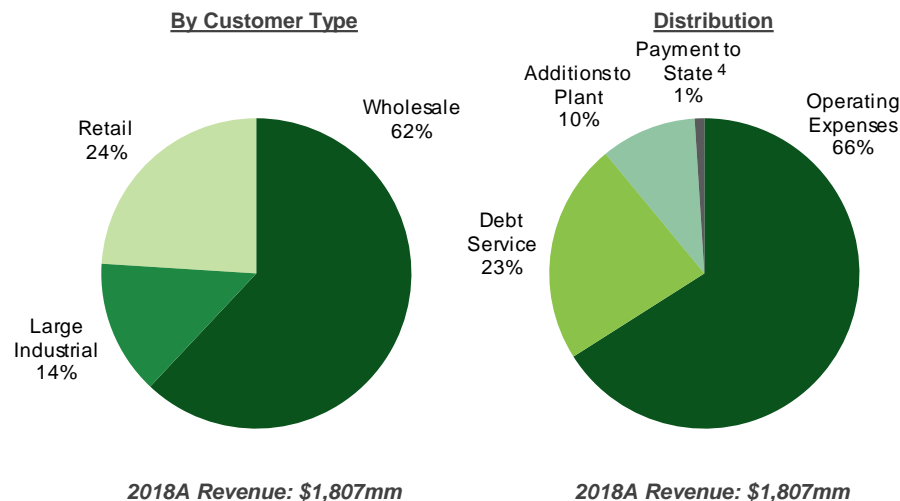


Santee Cooper is South Carolina's state-owned electric and water utility, providing service to ~2 million people in all 46 counties of the state. Santee Cooper serves 20 electric cooperatives, the cities of Bamberg and Georgetown, 28 large industrial customers and the 10 member cities that form the Piedmont Municipal Power Agency

## Business Overview<sup>1</sup>

- One of the nation's largest public power utilities:
  - \$8.4 billion of assets<sup>2</sup>
  - \$1.8 billion total revenue
  - Approximately 185,000 retail customers
- Provided approximately 24,000 GWh of total energy sales in 2018
- Power supply comes from 5,100 MW of owned generation
- Largest customer is Central Electric Power Cooperative; providing approximately 58% of revenue
- 4,464 miles of transmission lines and 89 transmission sub/switching stations
- 2,967 miles of distribution lines and 54 distribution substations
- Board includes 12 members<sup>3</sup>, appointed by Governor and confirmed by State Senate, with full rate-making authority
- Headquartered in Moncks Corner, South Carolina

## 2018 Revenue Breakdown



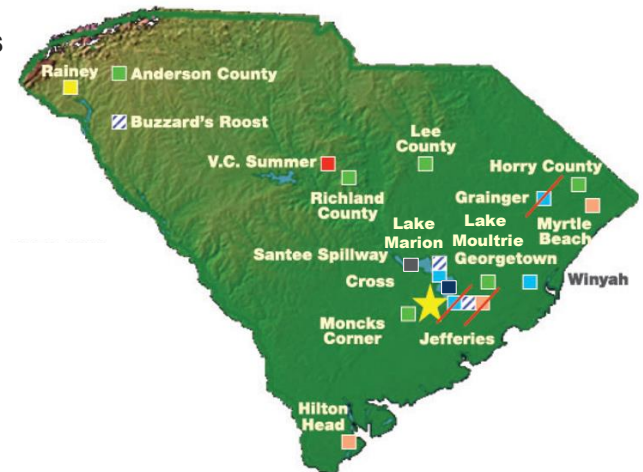
## Electric Generation and Water Systems Map

### WATER SYSTEMS

- Lake Moultrie
- Lake Marion

### FUEL MIX

- Coal
- Hydro
- Oil
- Natural Gas
- Nuclear
- LF Gas
- Closed



## Executive Leadership Team

	<b>Mark Bonsall</b>	President and Chief Executive Officer 41 years of experience		<b>J. Michael Baxley</b>	SVP and General Counsel 37 years of experience
	<b>Charlie Duckworth</b>	Deputy CEO and Chief of Planning 42 years of experience		<b>Michael Crosby</b>	SVP, Nuclear Energy 34 years of experience
	<b>Marc Tye</b>	Executive Vice President and COO 35 years of experience		<b>Dom Maddalone</b>	SVP, CIO 23 years of experience
	<b>Pamela Williams</b>	Senior Vice President and CFO 17 years of experience		<b>Arnold R. Singleton</b>	SVP, Power Delivery 16 years of experience

1. 2018A data  
2. Excludes regulatory assets (impaired nuclear)

3. 2 seats currently vacant  
4. Does not include payments made from Special Reserve Fund

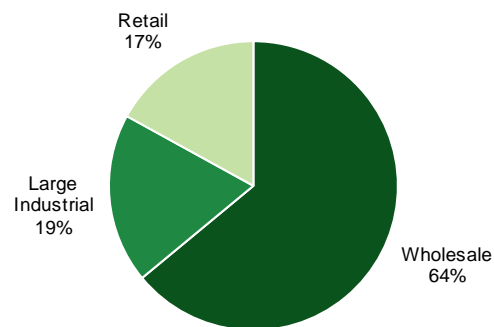
## 2 Santee Cooper Electric Utility – System Details

Santee Cooper manages approximately 4,500 miles of transmission lines and 3,000 miles of distribution lines, as well as approximately 5,100 MW of power generation resources

### Transmission and Distribution System<sup>1</sup>

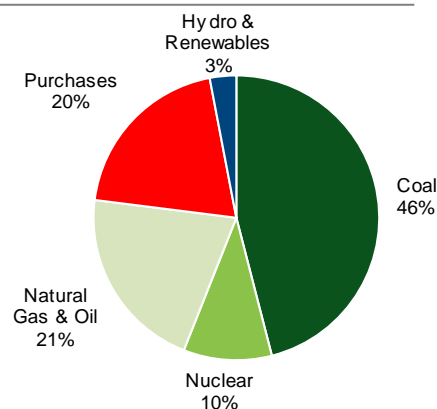
- 4,464 miles of transmission lines<sup>2</sup>
- 41,764 transmission structures
- Transmission stations
  - 89 transmission sub/switching stations
- Miles of distribution lines
  - 12 KV primary 2,822
  - 34 KV primary 145
- Underground primary 54%
- Overhead primary 46%
- Number of distribution substations 54
- Number of power transformers 85
- Power transformer installed capacity (MVA) 1,788
- Number of circuits 288

### 2018 Energy Sales



2018A GWh Sales: ~24,000

### 2018 Energy Supply



2018A GWh Generation: ~24,000


Note: Capacity factor based on SNL Data as of 2018

1. As of December 31, 2018

2. Includes 4,458 miles overhead, 6 miles underground and 447 Transmission Circuits

### Primary Generation Resources

#### Cross Generating Station – 46% Capacity Factor

LOCATION	UNIT	SERVICE DATE	ENERGY SOURCE	2018 ENERGY (GWH)
	1	1995	Coal	2,815
	2	1983	Coal	107
	3	2007	Coal	2,930
	4	2008	Coal	3,693


#### Rainey Generating Station – 29% Capacity Factor

	1	2002	Gas	3,517
	2A, 2B, 3, 4, 5	2002-2004	Gas	1,582


#### Summer Nuclear Unit 1 – 85% Capacity Factor

	1	1983	Nuclear	2,447
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#### Winyah Generating Station – 16% Capacity Factor

	1	1975	Coal	500
	2	1977	Coal	471
	3	1980	Coal	299
	4	1981	Coal	315

#### Jefferies Hydroelectric Generating Station – Capacity Factor N/A

	1	1942	Hydro	213
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Hydroelectric generation project resources include the 110,000 acre Lake Marion impounded by the Santee Dams on the Santee River as well as the adjacent 56,600 Acre Lake Moultrie and a 7.5 mile-long diversion canal connecting the two reservoirs

### 3 Santee Cooper Water Utility – System Details

Santee Cooper operates two wholesale water systems, one on Lake Moultrie and one on Lake Marion

#### Santee Cooper Regional Water System



<b>Location</b>	Moncks Corner, SC
<b>Commercial Operation</b>	October 1, 1994
<b>Capacity</b>	42 million gallons per day
<b>Miles of Pipeline</b>	26
<b>Size of Elevated Storage Tank</b>	1 million gallons
<b>Size of Ground Storage</b>	10 million gallons
<b>Water Supply</b>	Lake Moultrie
<b>Wholesale Water Sold To</b>	Lake Moultrie Water Agency <sup>1</sup>
<b>Population Served</b>	~191,000

#### Lake Marion Regional Water System



<b>Location</b>	Santee, SC
<b>Commercial Operation</b>	May 1, 2008
<b>Capacity</b>	8 million gallons per day
<b>Miles of Pipeline</b>	28 <sup>2</sup>
<b>Size of Elevated Storage Tank</b>	1 million gallons
<b>Size of Ground Storage</b>	4 million gallons
<b>Water Supply</b>	Lake Marion
<b>Wholesale Water Sold To</b>	Lake Marion Water Agency <sup>3</sup>
<b>Population Served</b>	~2,900

1. The Lake Moultrie Water Agency sells the water to the city of Goose Creek, Berkeley County Water & Sanitation, the Moncks Corner Public Works Commission, and the Summerville Commissioners of Public Works
2. Includes a 10.5 mile long pipeline from Harleyville to Ridgeville is projected to be completed in 2019
3. The Lake Marion Water Agency is comprised of Berkeley, Calhoun, Dorchester, and Orangeburg counties, and the town of Santee

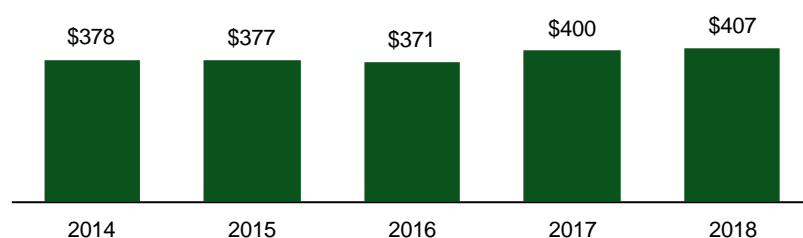
## 4 Santee Cooper's Historical Financial Results



Santee Cooper saw strong operating income growth in 2018 and has capitalized on a period of low fuel prices and strong wholesale demand to maintain consistent financial performance

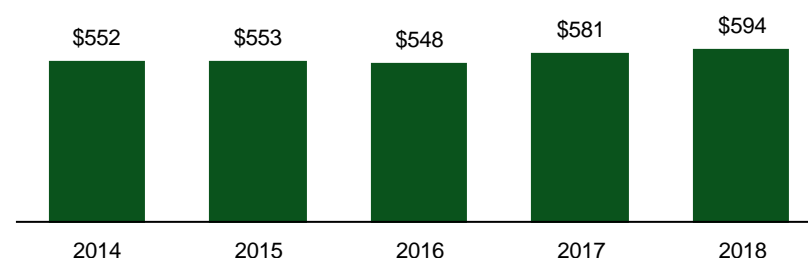
### Operating Income

\$ in millions



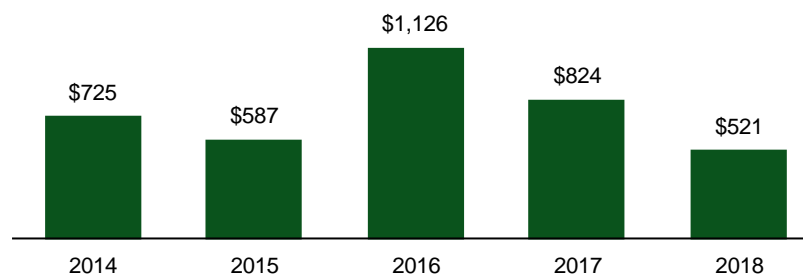
### EBITDA <sup>1</sup>

\$ in millions



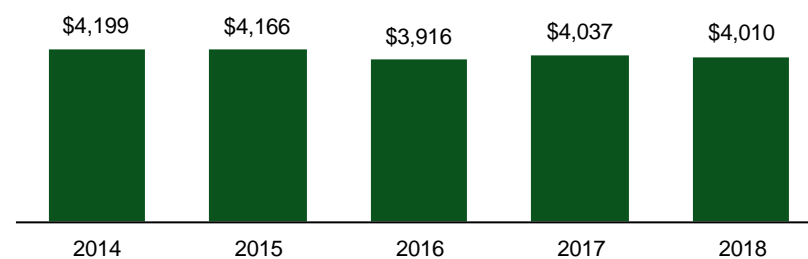
### Construction and Betterments of Utility Plant

\$ in millions



### Total Utility Plant - Net

\$ in millions



1. Operating Income plus Depreciation

## 5 Project Santee Cooper Process Overview



On behalf of the South Carolina Department of Administration (“Department”), we invite you to participate in the process for the sale or for management proposals for some or all of Santee Cooper

### Project Santee Cooper

- Pursuant to the Joint Resolution (Act No. 95 of 2019) adopted by the General Assembly of the State of South Carolina on May 21, 2019, and signed by the Governor on May 22, 2019, process participants may submit proposals for a sale transaction, a management proposal, or both
- We intend over the next several weeks to provide participants who have signed the Confidentiality Agreement with access to an online data room and additional confidential information regarding Santee Cooper
- Participants also will receive a letter that outlines the process, including the opportunity for participants and their advisors to meet with Santee Cooper
- The Department has retained Moelis & Company LLC, in the capacity of financial advisor; Gibson, Dunn and Crutcher LLP, in the capacity of legal advisor; and Energy + Environmental Economics, in the capacity of energy market consultant
- **All inquiries in relation to Project Santee Cooper should be addressed to the Moelis contacts below. No contact should be made under any circumstances with employees or representatives of the Department, Santee Cooper, Central Cooperative, the Governor, members of the General Assembly, or their respective staffs regarding the process without prior written approval<sup>1</sup>**

#### Moelis Contacts

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*\* Primary day-to-day contacts*

1. Mandated restrictions on communication with the listed entities prescribed by The Joint Resolution



## 6 Disclaimer



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